

AR79

Prospectus

OF

MAR 15 1960

ELECTRUM LAKE GOLD MINES
LIMITED



Dated February 17, 1960

ELECTRUM LAKE GOLD MINES LIMITED

PROSPECTUS

**filed with the Ontario Securities
Commission under the provisions
of Part VII of The Securities Act, Ontario**

- (a) ELECTRUM LAKE GOLD MINES LIMITED, Suite 406, 320 Bay & Street, Toronto, Ontario was incorporated under The Corporations Act, 1953 (Ontario), by Letters Patent dated November 17th, 1959.
- (c) The Officers and Directors are:

WILFRED PAUL MACKLE, Mining Engineer, President and Director, Lakeside Beach, Kenora, Ontario.

JOHN CHARLES LABBETT, Stock Broker, Vice-President and Director, 104 Willingdon Boulevard, Toronto, Ontario.

CLARENCE ROBERT SCHULTZ, Mining Executive, Secretary-Treasurer and Director, 70 Harrison Road, Willowdale, Ontario.

JAMES COSBY BOWES, Executive, Director, 51 Bennington Heights Drive, Toronto, Ontario.

FRANK MANNING MacDONALD, Professional Engineer, Director, 446 Russell Hill Road, Toronto, Ontario.

Wilfred Paul Mackle, President of the Company, is the Promoter.

- (d) Thorne, Mulholland, Howson & McPherson, Chartered Accountants, 111 Richmond Street West, Toronto, Ontario, are the Company's Auditors.
- (e) The Canada Trust Company, 110 Yonge Street, Toronto, Ontario, is the Company's Registrar and Transfer Agent.
- (f) The authorized capital of the Company is \$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 per share, of which 900,005 shares, all fully paid up and non-assessable, have been allotted and issued.
- (g) The Company has not created or issued any bonds or debentures nor does it propose to do so.
- (h) Certificates representing 810,000 shares of the Company are held by The Canada Trust Company, Toronto, Ontario, in escrow, subject to release on consent of the Company and the Ontario Securities Commission and such other Security Commissions as may hereafter have jurisdiction over escrowed shares of the Company, and subject also to transfer, hypothecation, assignment or other alienation only with the

written consent of the Ontario Securities Commission and such other Security Commissions as may hereafter have jurisdiction over escrowed shares of the Company; such other Security Commissions shall not be deemed to have jurisdiction over shares of the Company within the terms of such escrow until the Company so notifies The Canada Trust Company as escrow agent.

Of said escrowed shares there are recorded in the name of B. Nixon Apple, Solicitor, 112 Yonge Street, Toronto, Ontario, as trustee, 180,000 escrowed shares. Mr. Apple also holds certificates for 20,000 free shares of the Company as trustee. In the event that the Company elects to exercise the option referred to in paragraph (1) hereof to acquire the 34 unpatented mining claims referred to therein, then Mr. Apple shall transfer said free and escrowed shares to Roger Longe and Cecil Alcock. If the Company does not elect to exercise such option, then said shares are to be divisible equally amongst Wilfred Paul Mackle, President of the Company, Walter Norrie Taylor, Gordon Keith Masters and Malcolm Francis Blue.

- (i) Five shares have been sold for cash to date at \$1.00 per share netting the Company the sum of \$5.00. No commissions were paid on the sale of these shares.
- (j) No securities other than shares have been sold for cash to date.
- (k) No shares have been issued or are to be issued and no cash has been paid or is to be paid to any promoter for promotional purposes. Reference is made to paragraph (1) hereof for particulars of the shares issued by the Company to Wilfred Paul Mackle.
- (l) The Company is the recorded holder, free of encumbrance, of 10 contiguous unpatented mining claims situated in Ewart Township, Kenora Mining Division, Ontario, and being claims numbers K28632 to and including K28641. Title to the said claims is the usual title to unpatented mining claims enjoyed in the Province of Ontario when same are held under Miner's License. Said unpatented mining claims were acquired by the Company from Wilfred Paul Mackle, a director of the Company, pursuant to a written agreement dated November 18th, 1959, for the price or consideration of 900,000 fully paid and non-assessable shares of the Company. So far as the signatories hereto are aware, the only persons who have received or are entitled to receive from the Vendor a greater than five per cent interest in the aforesaid Vendor's consideration are: Walter Norrie Taylor, Lakeside Beach, Kenora; Gordon Keith Masters, 444 Russell Hill Road, Toronto; and Malcolm Francis Blue, 52 King George's Road, Toronto: all of the Province of Ontario.

By written agreement dated October 26th, 1959, (hereinafter referred to as the "Option Agreement"), Roger Longe and Cecil Alcock, both of Kenora, Ontario (hereinafter referred to as the "Optionors"), granted to Wilfred Paul Mackle, a director of the Company, the option of acquiring 34 contiguous unpatented mining claims situate in Ewart Township, Kenora Mining Division, Ontario and being mining claims numbers K20694-97; K21479; K23942-43; K23980;

K24136-37; K28659-60; K28663; K29014-18; K29046-50; K25128-34; and K26631-34 (hereinafter referred to as the "Optioned Claims"). The Option Agreement provides that for the option to be fully exercised there shall be paid to the Optionors the sum of \$100,000 (whereof the sum of \$1,000 has been paid to the Optionors by Mr. Mackle). The balance of \$99,000 is payable to the Optionors, if the option is to be kept in good standing from time to time, as follows: \$4,000 on or before November 26th, 1959; \$5,000 on or before February 26th, 1960; \$5,000 on or before May 26th, 1960; and \$5,000 on or before the 26th day of each and every month thereafter until October 26th, 1961.

The Company duly paid the sum of \$2,000 on account of the option payment falling due on November 26th, 1959, and the Optionors granted an extension to December 26th, 1959 within which time to pay the balance of \$2,000 which said amount was duly paid prior to December 26th, 1959. The Option Agreement further provides that in order for the option therein granted to be fully exercised there shall be transferred to the Optionors on or before October 26th, 1961, 20,000 free shares and 180,000 escrowed shares of the Company. Reference is hereby made to paragraph (h) hereof wherein are set forth particulars concerning the holding of shares for such purpose by B. Nixon Apple as trustee.

By written agreement dated November 18th, 1959, Mr. Mackle assigned to the Company all of his right, title and interest in and to the Option Agreement in consideration of the payment to him of the sum of \$1,000 (being the amount theretofor paid by him to the Optionors). Title to the Optioned Claims stands recorded in the names of the Optionors, is free of encumbrance (save with respect to the option relating thereto as hereinbefore particularized) and is the usual title to unpatented mining claims enjoyed in the Province of Ontario when same are held under Miner's License. So far as the signatories hereto are aware, no person or company has received or is entitled to receive a greater than five per cent interest in the cash and/or shares received or to be received by the Optionors. So far as the signatories hereto are aware the consideration accruing to the Optionors is to be divided between them as follows: Cecil Alcock 5/6 and Roger Longe 1/6.

- (m) For particulars relating to the location and means of access to the Company's properties as well as to the mining claims held under option by the Company, reference is hereby respectively made to the Reports of R. J. R. Schaller dated October 31st, 1959 and December 15th, 1959, both of which accompany and form a part of this Prospectus. There has been no underground exploration and development and there is neither surface nor underground plant or equipment. No work has been done or improvements made by the present management. For particulars concerning the known history of the Company's properties as well as the mining claims held under option by the Company, reference is hereby made to both of the foregoing Reports prepared by R. J. R. Schaller.
- (n) By an Agreement dated January 25th, 1960, made between the Company and R. H. Scarlett & Co., 11 Adelaide Street West, Toronto,

Ontario and Davidson & Company, 25 Adelaide Street West, Toronto, Ontario as Underwriter-Optionees, the Underwriter-Optionees acting on behalf of clients agreed to purchase 200,000 shares of the Company, at 15¢ per share payable within three days of the date of acceptance for filing by the Ontario Securities Commission of this Prospectus (hereinafter referred to as the "effective date"). The clients on whose behalf the aforesaid underwriting was undertaken are six in number and are set out hereunder, each client's percentage interest in the underwriting being noted followed by a figure in brackets representing a number of Vendor's shares which Wilfred Paul Mackle and those entitled to receive a greater than 5% interest in the Vendor's consideration, as referred to in paragraph (1), have agreed to assign to each of such clients. Alan Kissock, 70 Pine Street, New York, N.Y.—16 8/12% (20,000 vendor's shares); Dr. Charles Frederick Galway, University Club, St. Paul, Minnesota—33 4/12% (40,000 vendor's shares); James Cosby Bowes, a director of the Company, 51 Bennington Heights Drive, Toronto—16 8/12% (30,000 vendor's shares); Carl Morton Solomon, 507 Atlas Avenue, Toronto, Ontario—20 10/12% (35,000 vendor's shares); John Charles Labbett, a director of the Company, 104 Willingdon Boulevard, Toronto, Ontario—6 3/12% (12,500 vendor's shares); Frank Michael Thomson, R.R. #2, Woodbridge, Ontario—6 3/12% (12,500 vendor's shares). If the Company receives at least the sum of \$20,000 from the exercise of options herinafter referred to then Messrs. Solomon, Labbett and Thomson will also receive additional blocks of 25,000, 12,500 and 12,500 vendor's shares respectively.

Under said Agreement of January 25th, 1960, the Company granted to the Underwriter-Optionees the sole and exclusive option of purchasing all or any part of 800,000 additional shares of the Company, exercisable at the prices and within the following times, namely: 200,000 shares at 15¢ per share within 3 months of the effective date; 200,000 shares at 20¢ per share within 6 months of the effective date; 200,000 shares at 25¢ per share within 9 months of the effective date; and 200,000 shares at 30¢ per share within 12 months of the effective date. The Underwriter-Optionees have no beneficial interest in said options and hold same for the following clients: John Charles Labbett, a director of the Company, as to 12½%; Frank Michael Thomson as to 12½%; Carl Morton Solomon as to 25%; Cornerstone Investment Corporation Limited, 38 King Street West, Toronto, Ontario, as to 25%, and the only person having a greater than 5% interest in this corporation is Katharine Louise Masters, 444 Russell Hill Road, Toronto, Ontario; Twillingate Securities Limited, 18 Toronto Street, Toronto, Ontario, as to 25% and the only person having a greater than 5% interest in this corporation is Willard Meredith Gordon, 346 Riverview Drive, Toronto, Ontario.

So far as the signatories hereto are aware, there are no other sub-options or sub-underwritings outstanding or proposed to be given.

If any of the aforesaid participants in the underwriting and options effect primary distribution to the public, same will be effected through registered security dealers who will be paid a commission not to exceed twenty-five per cent of the selling price, or shares may be sold to reg-

istered security dealers at a mark-up not to exceed one cent per share. The Company understands that an amending statement must be filed within twenty days of default if the securities of the Company are still in the course of primary distribution.

(o) All monies paid into the Treasury of the Company through the sale of shares as set out in paragraph (n) will be expended by the Company in such exploration and development work on the Company's properties and the mining claims held under option by the Company as recommended in the accompanying Reports referred to in paragraph (m) of this Prospectus, for the purchase of necessary equipment, for the payment of accounts payable, for the payment of option instalments falling due from time to time with respect to the mining claims held under option by the Company, such payments to be made only so long as the Directors of the Company deem advisable, and generally for corporate purposes.

	<i>Administrative</i>	<i>Development</i>
Preliminary expenses	\$4,020	\$1,022
Estimated future expenditures (during first year)	\$5,000	\$50,000

(q) There is no indebtedness to be created or assumed other than as shown on the Balance Sheet dated as of December 9th, 1959, which accompanies and forms a part of this Prospectus. Reference is however made to paragraph (l) hereof and the outstanding option payments which may be made by the Company.

(r) (i) The principal business of each Director and Officer for the past 3 years is as follows:

WILFRED PAUL MACKLE has been a Mining Engineer, self employed.

JOHN CHARLES LABBETT has been a Partner of Davidson & Company, Stock Brokers, Toronto.

CLARENCE ROBERT SCHULTZ, Mining Executive, has been Treasurer of United Asbestos Corporation Limited for over 3 years.

JAMES COSBY BOWES has been a Director and Ontario Sales Manager of Hatch & Company Ltd.

FRANK MANNING MacDONALD, Professional Engineer, has been a Broker of Industrial Real Estate, self employed.

(ii) No Director or Officer of the Company, either personally or as a partner in any firm, has ever had any interest either direct or indirect in any property acquired or to be acquired by the Company, except Wilfred Paul Mackle who was the Vendor to the Company and reference is hereby made to paragraph (l) hereof for further particulars.

- (iii) No remuneration has been paid by the Company during the last financial year to either its Directors or Officers and it is estimated that no remuneration will be paid to the Directors or Officers as such during the current financial year, save that the Secretary of the Company may receive a sum not to exceed \$50.00 per month.
- (s) No dividends have been paid by the Company.
- (t) Wilfred Paul Mackle, Walter Norrie Taylor, Gordon Keith Masters and Malcolm Francis Blue are in a position to elect or cause to be elected a majority of the Directors of the Company.
- (u) There are no arrangements for the sale of Vendor's shares. Free Vendor's shares and Vendor's shares as released from time to time may be offered for sale, but the proceeds will not accrue to the Treasury of the Company.
- (v) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements for reports where required.

DATED this 17th day of February, 1960.

F. M. MACDONALD
Director

C. R. SCHULTZ
Director

J. C. BOWES
Director

J. C. LABBETT
Director

W. P. MACKLE
Director and Promoter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

DATED this 17th day of February, 1960.

R. H. SCARLETT & CO.
By: R. H. SCARLETT
Underwriter-Optionee

DAVIDSON & COMPANY
By: J. C. LABBETT
Underwriter-Optionee

ELECTRUM LAKE GOLD MINES LIMITED

Incorporated under the laws of Ontario

BALANCE SHEET

December 9, 1959

ASSETS

Cash	\$ 1,505.00
Unpatented mining claims in the Kenora Mining Division, Ontario, at the consideration given therefor, consisting of 900,000 shares of capital stock at 10¢ per share	90,000.00
Option to purchase unpatented mining claims, payments to date (note 1)	3,000.00
Deferred charges, estimated	5,042.00
	<u>\$99,547.00</u>

LIABILITIES

Accounts payable, estimated	\$4,542.00
Due to director	5,000.00 \$9,542.00

Capital Stock:

Authorized, 5,000,000 shares of \$1.00 par value each

Issued or to be issued, 900,005 shares as follows,
(note 2):

	No. of Shares and Par Value	Discount	Net
For cash	5		5.00
For mining claims	900,000	810,000.00	90,000.00
	<u>900,005</u>	<u>\$810,000.00</u>	<u>\$90,005.00</u>
			<u>\$99,547.00</u>

The accompanying notes form an integral part of this balance sheet.

Approved on behalf of the Board

J. C. LABBETT, *Director*

C. R. SCHULTZ, *Director*

ELECTRUM LAKE GOLD MINES LIMITED

STATEMENT OF DEFERRED CHARGES, ESTIMATED Period from November 17, 1959, the date of incorporation, to December 9, 1959

Incorporation and organization expense	\$3,085.00
Mining licenses and fees	222.00
Engineer's report	800.00
Office and general expense	285.00
Transfer agent's fee	250.00
Audit	200.00
Filing fee	200.00
Deferred charges, estimated, at end of period	<u>\$5,042.00</u>

NOTES

1. Additional payments totalling \$97,000.00 will be required if the company elects to complete the exercise of its option to purchase mining claims, as follows:

\$2,000.00 on or before December 26, 1959 (since paid)

\$5,000.00 on or before February 26, 1960

\$5,000.00 on or before May 26, 1960, and on the 26th day of every month thereafter up to and including October 26, 1961.

The option agreement further provides that in order for the option to be fully exercised there shall be transferred to the optionors on or before October 26, 1961, 200,000 shares of the company's capital stock. These shares are presently issued and held by a trustee for this purpose.

The mining claims are situated in the Kenora Mining Division, Ontario.

2. By agreement dated January 25, 1960, the company has agreed to sell to underwriters 200,000 shares of its capital stock at 15¢ per share, to net the company \$30,000.00 cash, payable three days after acceptance by the Ontario Securities Commission of the company's prospectus for filing, being the effective date. In consideration therefor, the company has granted to the underwriters options covering a further 800,000 shares of capital stock at prices ranging from 15¢ to 30¢ per share exercisable within three to twelve months of the effective date.
3. Since December 9, 1959, the company has received a further cash advance of \$2,500, repayable on demand without interest.

Auditors' Report

To the Directors of
ELECTRUM LAKE GOLD MINES LIMITED.

We have examined the balance sheet of Electrum Lake Gold Mines Limited as at December 9, 1959, and the statement of deferred charges for the period from November 17, 1959, the date of incorporation, to December 9, 1959. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet supplemented by the notes thereto, and statement of deferred charges present fairly the financial position of the company as at December 9, 1959 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles.

Toronto, Canada,
February 15, 1960

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

REPORT ON
THE NORTH GROUP
Electrum Lake, Ewart Township
KENORA MINING DIVISION
ONTARIO

LOCATION

This group of 10 claims is located in Ewart Township, Kenora Mining Division, Ontario some $2\frac{1}{2}$ to 4 miles East of the Manitoba-Ontario boundary and $\frac{1}{2}$ to 2 miles south of the Trans Canada Highway. The Shoal Lake road crosses the claim group and joins the Trans Canada Highway 28 miles west of Kenora. The Trans Canada Natural Gas Line crosses the North East claims.

PROPERTY

This group consists of 10 claims, numbered K28632 to K28641 inclusive, held by location and in good standing. The claims were recorded on November 6th, 1957 and have 169 days work recorded on each claim. The claims are registered in the names of W. P. Mackle and W. N. Taylor, each having 50 percent interest.

HISTORY

Claims K28639, K28640 and K28641 were included in a large group lying to the North and West which were optioned to Noranda Mines in 1953. Work carried out at this time consisted of geological and geophysical surveys in a search for base metals. The option was dropped and the claims allowed to lapse in 1955.

GENERAL GEOLOGY

The claim group is underlain with volcanics and sediments which are intruded by Quartz Porphyry, Feldspar Porphyry and Quartz Feldspar Porphyry in masses, in small irregular areas, and as sills and dykes.

The volcanics are of the Keewatin type and consist chiefly of andesite and rhyolite. They are heavily sheared in places and have been altered to Amphibolite, Hornblend Mica Schists and Garnet Mica Schists. These schists are of importance because gold values occur in Hornblend Chlorite Biotite Schist on the adjoining property approximately $\frac{3}{4}$ of a mile south west of this group.

The sediments, also of Keewatin age, consist of argillite and greywacke which are both sheared and altered and vary from fissile schistoid argillite to medium grained greywacke with poorly defined bedding.

The porphyries are fine to medium grained and vary from fine grained rhyolitic rock with quartz and or feldspar phenocrysts to medium grained granitic porphyry with quartz phenocrysts.

STRUCTURE

The claim group is cut by topographical features which suggest major structural breaks or faults. These breaks strike NE-SW, E-W and N-S and can be traced for considerable distances. Several gold occurrences have been found along NE-SW breaks toward High Lake.

The adjoining properties which have had considerable diamond drilling indicate a major anticlinal structure with its axis striking north south along the south arm of Electrum Lake. The gold occurrence drilled to the east of this axis is striking NW, dipping to the NE and plunging to the North. The gold occurrence to the west of this axis is striking NE, dipping to the NW and plunging to the North. The apex of this anticline would occur on claims K28634-K28636 and would plunge to the North.

Gold occurs on the adjoining properties in quartz veins in altered porphyry and volcanics and also in schists which are either an altered volcanic or sediment. Similar rock types are found on this claim group and gold has been panned from drift covered fault zones near the NE corner of Electrum Lake. Quartz containing Tourmaline, Pyrite and arsenopyrite has been found in the porphyry, volcanics and sediments in this area. Prospecting is difficult because of drift covered and swampy ground.

ADJOINING PROPERTIES

ALCOCK-LONGE GROUP

Considerable trenching and limited diamond drilling has been carried out in this area over a length of 1,400 feet located $\frac{1}{4}$ miles SW of claim K28636. Gold values have been obtained in a sheared altered quartz porphyry from surface trenches while diamond drilling returned values in Hornblend Chlorite Biotite Schist. The ridges on surface consist chiefly of the harder porphyries and massive andesite. From drillings, the low drift covered valleys are underlain with the schists from which the gold values were obtained. Study of the topography and geology indicate that the favourable rock types strike NE and dip to the NW with the whole structure plunging to the North. The plunge of the porphyry-volcanic contact appears to be approximately 45 degrees in a N 30 E direction as interpreted from diamond drill holes. It is highly probable that these zones which strike towards claim K28636 will continue on to this North Group.

The schist containing the gold values is mineralized with quartz, carbonates, pyrite, pyrrhotite, chalcopyrite and magnetite. A geophysical survey carried out on this ground in 1953 gave an E.M. anomaly extending from this drilling into the west end of Electrum Lake and close to the west boundary of claim K28636. The survey was not continued past this point. The anomaly followed a drift filled depression and a diamond drill hole under the SW end of the anomaly returned gold values over 55 feet of core. It is highly probable that this anomaly is an indication of the continuation of these gold bearing schists.

ALCOCK EAST GROUP

This area was extensively drilled in 1958 by Purdex Minerals Ltd. and a zone 600 feet long, 8 to 10 feet wide with a possible average grade of 12.00 dollars was outlined with the deepest hole and values at 300 feet vertically. This zone was not delimited at either end. The drilling and trenching indicate a NW strike, a NE dip and a northerly plunge. The most northerly intersection is within 600 feet of the south boundary of claim K28635.

Some 900 feet east of the above zone another zone of quartz in quartz porphyry and volcanics has had limited stripping on the surface and has returned low gold values. The quartz is well mineralized with tourmaline and some sulfides and is very similar to the zone which was drilled. The apparent strike is the same (NW) but owing to the lack of exploration work the dip cannot be ascertained. The extensions north and south are drift covered.

SOUTH SHOWING

Gold occurs as visible gold and electrum in a quartz vein striking N-S in quartz porphyry near a volcanic contact. This showing strikes parallel and is close to the axis of the major anticline mentioned above.

CONCLUSIONS

1. It is the writer's opinion that this claim group is essential as protection on strike, dip and plunge of the gold bearing zones on the adjacent claims to the south and west. Exploration to date on the adjoining claims has established the attitude and has proven the possibilities of commercial orebodies.

2. The geological and structural conditions on this claim group are very favourable and are similar to those on the adjoining claims.

3. The presence of gold and mineralized quartz in the NE corner of Electrum Lake corroborates the value of these claims in relation to the other showings.

4. The presence of the structural breaks which, no doubt, are continuations of those found on the adjacent claims indicate zones of weakness necessary for ore-making conditions.

5. The geophysical anomaly which extends into the west end of Electrum Lake is still "open" on the west boundary of this claim group. This anomaly probably indicates the continuation of the favourable gold bearing schist zone.

Respectfully submitted,

R. J. R. SCHALLER, P.Eng.

October 31st, 1959

CERTIFICATE

I, Richard J. R. Schaller, of the City of Winnipeg in the Province of Manitoba, do hereby certify:

1. That I am a Mining Engineer and a Registered Professional Engineer in the Provinces of Ontario and Manitoba.
2. That I am a graduate of the University of Manitoba and have practiced my profession since 1933.
3. That I have no interest either directly or indirectly nor do I expect to receive any interest either directly or indirectly in the properties or securities of Electrum Lake Gold Mines Limited.
4. That the accompanying Report is based on personal examination of the property in January and May of 1957 and from other sources as noted herein.

Dated at Winnipeg, Manitoba this 31st day of October, 1959.

R. J. R. SCHALLER, P.Eng.

REPORT ON
THE ALCOCK MINERAL CLAIM GROUP
High Lake Area-Ewart Township
KENORA MINING DIVISION
KENORA, ONTARIO

PROPERTY AND LOCATION

This group of mineral claims is located in Ewart Township, in the Kenora Mining Division and is approximately two miles south of the Trans Canada Highway and about the same distance east of the Manitoba-Ontario boundary.

The following mineral claims are in the group:—K20694 to K20697 inclusive; K21479; K23942 to K23943 inclusive; K23980; K24136; K24137; K28659; K28660; K28663; K29014 to K29018 inclusive; K29046 to K29050 inclusive; K25128 to K25134 inclusive and K26631 to K26634 inclusive.

TRANSPORTATION

A tractor road leaves the Trans Canada Highway twenty-nine miles west of Kenora and crosses the property in three miles. The area can also be serviced by aircraft from Kenora.

POWER

Hydro electric power is available about four miles north of the property. The Trans Canada Gas Pipe line is within one-quarter of a mile from the north boundary of the group.

HISTORY

This group of mineral claims is held by location by C. Alcock and R. Longe of Kenora. In the past this area has received limited amounts of attention at different times. Gold values of importance have been found in surface pits and diamond drill records as noted herein. Exploration and drilling programs have been carried out to a limited extent by San Antonio Gold Mines, Purdex Minerals Limited, Green Bay Uranium Mines and C. Alcock. Electro-magnetic surveys have partly covered the western claims and it is believed that there has been no magnetic surveys done on the group. Most of the activity in the past has been directed towards the search for base metals and although no economic base metal deposits were found a number of the holes returned interesting gold values.

GEOLOGY

The area comprising the group is underlain for the most part by a series of lava flows and altered intrusives of Keewatin Age. Some of the altered rocks have been classified as altered porphyry but the writer is of the opinion that they are in reality highly altered and porphyrtized tuffs or rhyolites and are the host rocks for the gold values especially along the contacts with the andesite and later intrusives which are quartz-feldspar porphyry and probably of Algoman Age. Very often the gold values will be found on both sides of the altered rock and the andesite contact but this is not so when the contact is with the later and fresh intrusive porphyry.

A study of the geological mapping of the area indicates that there is a possible anticline with its axis almost due North and bisecting Electrum Lake.

The apex of this assumed anticline is under or just to the north of the same lake. It is the opinion of the writer that the gold bearing structure on the Alcock-Longe group occurs along the westerly limb of this anticline while the gold bearing structure on the Alcock East group occurs along its easterly limb.

DIAMOND DRILLING

San Antonio Gold Mines Limited drilled 17 holes totalling 4,065 feet in 1953. All assays of this drilling are not available but the following results have been obtained from the Ontario Department of Mines office in Kenora.

<u>Claim No.</u>	<u>Hole No.</u>	<u>Core (ft)</u>	<u>Au @ \$35.00</u>	<u>Remarks</u>
K23943	6	5.0	2.80	Hb. Chl. Schist
		5.0	2.10—1.14% Cu.	Hb. Chl. Schist
	8	4.3	13.30	Hb. Chl. Schist
K23942	10	1.0	18.20	Hb. Chl. Schist Qtz. Calc.
	13	2.0	3.50	Hb. Chl. Schist Calc.
		2.1	2.10	Hb. Chl. Schist Calc.
		1.1	3.50	Qtz. Porp.
		4.3	32.90	22.80 Ave. Hb. Chl. Schist Qtz. Calc.
		6.7	4.20	
	14	2.0	7.00	Qtz. F. Porp.-Sheared Hb. Chl. Schist

GREEN BAY URANIUM MINES LTD. drilled 3 holes totalling 888 feet in 1956 for the possibilities of copper in the porphyries. The core from these holes was not assayed for gold but one hole (GB6) was sampled in 1958 and returned the following values in a Hornblend Chlorite Biotite Schist.

<u>Claim No.</u>	<u>Footage</u>	<u>Au @ \$35.00</u>	<u>Remarks</u>
K23942	140.0 to 142.5	2.10	
	142.5 to 146.0	9.30	
	146.0 to 148.0	11.30	
	148.0 to 151.0	16.80	
	151.0 to 155.0	7.70	
	155.0 to 160.0	7.00	
	160.0 to 162.0	5.60	
	162.0 to 166.5	4.20	Dome Expln. 1/4 core \$6.82
	average 26.5'		\$8.74
	166.5 to 176.0		not sampled but similar material
	176.0 to 177.0	4.20	
	177.0 to 180.0	5.60	
	180.0 to 188.5		not sampled but similar material
	188.5 to 190.5	22.40	Dome Expln. 1/4 core \$38.67
	190.5 to 195.0	1.40	

Considering the sections not sampled this hole should average at least \$7.00 across 55 feet of core.

PURDEX MINERALS LIMITED drilled 33 holes totalling 8,585 feet in 1958. All drill logs and assay results of this drilling are filed with the Ontario Department of Mines office in Kenora and the results are as follows. These holes are located on the common boundary of claims K25130 and K25131.

<i>Hole No.</i>	<i>Core (ft)</i>	<i>Au @ \$35.00</i>	<i>Remarks</i>
1A	11.5	28.70	visible gold
	23.1	9.80	visible gold
2A	4.0	19.60	visible gold
	4.5	10.85	visible gold
	3.0	16.80	visible gold
3A	4.0	12.50	visible gold
	5.0	7.00	visible gold
4A	6.5	12.00	visible gold
5A	11.5	1.40	coarse visible gold
11A	4.5	9.80	visible gold
	1.5	15.40	visible gold
12A	1.0	17.50	visible gold
	5.5	6.30	
15A	8.0	1.40	
16A	4.0	9.10	
	2.0	17.50	305' vert. depth
	8.5	14.00	340' vert. depth
18A	5.0	4.20	visible gold
	5.0	5.70	visible gold
	3.1	18.20	
	5.0	5.70	
19A	4.2	5.60	
20A	3.0	4.20	
22A	4.7	18.20	
23A	5.5	0.70	visible gold
24A	4.0	5.60	
	4.0	11.90	
	5.0	5.60	
	5.5	15.40	
	5.0	10.50	
	5.0	9.10	
25A	7.3	15.70	visible gold
28A	5.1	10.85	
	4.2	6.30	
	3.8	7.00	visible gold in 9 places
	4.2	7.00	average \$8.90 across 17.3 feet
29A	9.6	12.90	visible gold

CECIL ALCOCK, Proprietor, drilled 9 holes totalling 1,104 feet in 1958. The results of this drilling are as follows:

<i>Claim No.</i>	<i>Hole No.</i>	<i>Core (ft)</i>	<i>Au @ \$35.00</i>	<i>Remarks</i>
K23943	4A	33	5.60	Hb. Chl. Schist
K23942	3A	5	9.80	altered porphyry
K25131	2	33.5	9.80	these three holes
	3	1.0	25.90	in area when Perdex
	4	23.5	9.90	drilled

(Drill logs are filed with the Dept. of Mines, Kenora, Ontario)

SURFACE TRENCHES

Claim K20696

Highly sheared and silicified zone has been trenched intermittently for 500 to 600 feet. This zone is cut by quartz filled fractures containing pyrite, tourmaline, carbonate and visible gold. Assay results of the sampling of two trenches were as follows:

Trench 1	4 feet	\$ 1.40 Au.
	6 feet	15.40 Au.
Trench 2	8 feet	36.40 Au. Check sample \$19.95

Some 1,400 feet north west of the above trenches shearing in quartz Feldspar Porphyry returned assays of \$10.50 across 8 feet while a grab sample assayed \$4.20.

Claim K23942

Considerable trenching in sheared porphyry, which could possibly be an altered rhyolite or tuff, has revealed many quartz filled fractures. Both the quartz and host rock are mineralized with pyrite, tourmaline, carbonate and visible gold. Sampling of these trenches has consequently returned erratic gold values which cannot be considered representative of the average grade. A true average value could only be obtained by bulk sampling. Assay results in these trenches are as follows:

Main Trench from North to South				
5.2 ft.	\$ 0.70	check sampling	5 ft.	\$ 2.80
6	46.20	by W. N. Taylor	6 ft.	0.70
7.5	6.50		7 ft.	0.70
2.3	6.50		3 ft.	61.60

Averages 15.8 ft. \$21.60 and 16 ft. \$12.10

Trench 60 ft. W of main trench

Grab samples	\$6.20, \$7.00 and \$35.70
Trench — 30 ft. NE of Main Trench	
3.0 ft.	\$35.00
3.0 ft.	10.55
2.0 ft.	43.40
3.0 ft.	57.40
	check by Dome Expln.
	check by W. N. Taylor
	check

Samples from a trench SE from the main trench returned values ranging from trace to \$17.50 across 50 feet.

Trench — 90 ft. SW of Main Trench

5.0 ft.	\$4.20
2.0 ft.	5.60

Trench — 230 ft. NE of Main Trench

2.0 ft.	\$169.40
5.0 ft.	4.80
3.0 ft.	1.40
3.0 ft.	5.60

Claim K23943

A trench 50 ft. long across a Hornblend Chlorite Schist mineralized with quartz, pyrite and chalcopyrite returned the following values from chip sampling:

West side 20 ft.	\$ 5.60 Au.	0.74% Cu.
East side 30 ft.	7.70 Au.	1.10% Cu.
South end 10 ft.	11.55 Au.	Dome Exploration
North end 20 ft.	1.05 Au.	Dome Exploration

Claims K25131 and K25130

This area has been extensively trenched and sampled and has been drilled by Purdex Minerals Limited. The results of this drilling has already been tabulated in this report.

CONCLUSIONS

Exploration to date on the group shows that favourable geology and values exists to warrant further searching. Since the previous drilling was done additional geological and geophysical information has been obtained that has added considerably to more economical exploration. There is good reason to believe that the existing discoveries of gold on the group are not the only ones and that a carefully executed exploration program may disclose deposits of economic importance.

RECOMMENDATIONS

It is recommended that further geological mapping be done on the group and that magnetic and electromagnetic work be done in the areas of known occurrences to ascertain if the information can be correlated with ore deposition.

It appears that there are four or five areas already outlined that warrant further investigation by diamond drilling.

Systematic prospecting, which to date is responsible for most of the interesting occurrences, should be continued.

It is estimated that \$40,000 will be required as an initial expenditure to do 5,000 ft. of diamond drilling and the above-mentioned work.

Respectfully submitted,

R. J. R. SCHALLER, P.Eng.

CERTIFICATE

I, Richard J. R. Schaller, of 283 Wildwood Park in the City of Winnipeg, in the Province of Manitoba, do hereby certify:

1. That I am a Mining Engineer and a Registered Professional Engineer in the Provinces of Ontario and Manitoba.
2. That I am a graduate of the University of Manitoba and have practiced my profession since 1933.
3. That I have no interest either directly or indirectly nor do I expect to receive any interest either directly or indirectly in the properties or securities of Electrum Lake Gold Mines Limited.
4. That the accompanying Report is based on personal examination of the property in January and May of 1957.
5. That on November 16th and 17th, 1959 in the Town of Kenora, Ontario, I examined the maps, diamond drill logs and geophysical information pertaining to the attached report. Also I have examined in the Resident Geologists office of the Ontario Department of Mines in Kenora, Ontario, all plans and diamond drill logs submitted by the following companies: San Antonio Gold Mines Ltd., Green Bay Uranium Mines Limited, and Purdex Minerals Limited.

Dated at Winnipeg, Manitoba this 15th day of December, 1959.

R. J. R. SCHALLER, P.Eng.

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ELECTRUM LAKE GOLD MINES LIMITED

HEAD OFFICE SUITE 100, 320 DAVIS STREET, TORONTO

TELEPHONE: EM. 8-9802

JUN 6 1960

PROGRESS REPORT

May 28, 1960

To the Shareholders:

The following is a summary of results from work completed to date by your Company which has been confined to its optioned Alcock-Longe group of 23 claims out of a block of 44 contiguous claims owned and held under option. The claims are readily accessible some thirty miles west of Kenora, Ontario.

A plan of the drilling completed to date is appended. You will note that it shows diamond drilling completed in each of three areas, namely, Area A, Area B and Area C. Diamond drilling was done in all three Areas in various programmes undertaken by other operators in a search for base metals prior to the claims being optioned by Electrum Lake Gold Mines Limited. Your Company started its first diamond drill hole in Area A on March 7th this year and drilling has since been carried out continuously in both Areas A and B, the Company's holes being numbered E 1 to E 25 to distinguish the holes drilled by Electrum Lake from former drilling. As of this date, approximately 6,000 feet of drilling have been completed but little surface prospecting has been done due to flooded conditions and the backward spring which has kept most of the area covered with snow until well on into April.

Diamond Drilling

It was decided to commence the Company's drilling programme in Area A after evaluation of diamond drilling programmes previously carried out. A hole drilled some years ago in this area intersected a wide zone of mineralization which was not assayed at the time for gold. Subsequent sampling of the core returned values over a core length of 55 feet with the best section averaging \$10.50 per ton (gold valued at \$35.00) across a core length of 16.0 feet.

The first hole in Area A was spotted to cut the zone some 50 or 60 feet vertically below this hole and an intersection was obtained that graded \$23.80 across a core length of 17.1 feet. Additional drilling extended this zone to a length of 200 feet and the deepest intersection was at 190 feet vertical. The zone in Area A is still open in a southwesterly direction but the last hole completed on the northeasterly extension, while cutting a wide zone of typical mineralization, returned low gold values over a core length of 51 feet.

It will be noted on the accompanying plan that Area A, B and C line up on an almost east-west strike and ore intersections obtained from previous drilling in Area B also have an east-west strike. It was decided to move the drill to Area B since there are several surface exposures in that Area which, with the results of previous drilling, would permit a more intelligent drilling programme to be carried out having regard to the fact that there are no surface exposures in either Areas A or C.



ELECTRUM LAKE
Ewart Twp.

D. D.

Scale 1" - 100'

V.G. Vis
Ore



GOLD MINES LTD.
Kenora M'g. Div. C.

Holes

May 20/60

le Gold ntersections

From holes E 18 to E 25, inclusive, drilled in Area B, the values have been quite good and this section has a length of 300 feet averaging \$16.10 per ton gold, uncut, and \$15.05 per ton gold, cut, across 5.8 feet. The most easterly hole in Area B, for which assays have not yet been received, but which showed visible gold, is only some 250 feet West of the collars of holes E 1, E 2, E 3, etc., in Area A. Success in closing this gap of 250 feet in additional drilling now underway would produce a potential ore zone of approximately 800 feet in length.

Combining the average grade and widths of Areas A and B gives a total length of 500 feet averaging \$16.10 per ton gold, uncut, and \$15.05 per ton gold, cut, across an average width of 6.8 feet, with the deepest intersection at 190 feet vertical.

Area B has now been intersected by drilling for a total length of 500 feet and every hole cut values with the exception of E 21, the most westerly hole, which was all in the intrusive porphyry, so that somewhere between holes E 20 and E 21 the gold-bearing zone dies out in the porphyry or is cut off by it. However, despite the presence of visible gold and good sulphide mineralization in both Holes E 19 and E 20, the values were below ore grade. Unlike the drilling in Area A, visible gold is quite common in Area B but the gold values are associated with the sulphides and depend upon the amount of sulphides present. One hole, E 13, was an exception to the above. This hole cut four different potential ore sections and three of them showed visible gold. The first section, with no visible gold, returned an assay of \$14.00 per ton in gold and 8.76% copper. The second section returned an average of \$51.45 per ton gold across a width of 9.0 feet and the third section, some 22 to 25 feet lower in the hole, returned an assay of \$14.00 per ton gold across 4.5 feet, both of which showed visible gold with 2 feet in the third section being very coarse.

Summary and Conclusion

Present plans call for continuing the drilling east of hole E 25 in an effort to close the gap between that hole and drilling in Area A. Possibly, one or two short holes will be drilled between Areas B and C. Two holes drilled by others in Area C returned ore grade across mining widths. There are many surface outcrops and other gold-bearing zones known to exist on the Company's claims and these potential Areas are being studied and mapped for future exploration.

It is obvious that the results from the limited exploration programme completed to date are definitely encouraging and your management is hopeful that the present diamond drilling campaign will continue to give comparable results.

W. P. Mackle,
President.

ELECTRUM LAKE GOLD MINES LIMITED

HEAD OFFICE: SUITE 406, 320 BAY STREET, TORONTO

TELEPHONE: EM. 8-9802

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MAR 30 1960

March 29, 1960.

To: Mining Editors

For: Immediate Release

Electrum Lake Gold Mines Limited has completed the second diamond drill hole in its current exploration programme on its 44-claim group located near the Trans-Canada Highway, 30 miles west of Kenora, Ontario.

Electrum Lake No. 2 hole, returned 6.5 feet of core from 161.6 to 168.1 feet which assayed \$16.50 gold per ton (gold valued at \$35.00). This section was at a vertical depth of 130 feet. Due to strike being more north-south than north-east as originally believed the second intersection is approximately 100 feet from intersection of Hole No. 1 which assayed \$23.80 gold per ton over a core length of 17.1 feet at a vertical depth of 155 feet.

Hole No. 3 is 50 feet south of No. 1 and has cut two intersections. First, a width of 8 feet and second, a width of 10 feet, with mineralization and alteration similar to Hole No. 1.

W. P. Mackle,
President.

2011.08.20

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